

*Immediate
and
Deferred
Care plans.*

Key Features



Key Features of the Immediate & Deferred Care Plans

The Financial Services Authority is the independent financial services regulator. It requires us, to give you this important information to help you to decide whether our Immediate and Deferred Care Plans is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference. It does not include all definitions, exclusions or terms and conditions and it should be read in conjunction with your quotation and/or your policy document. The policy document is available on request.

You should seek financial advice and discuss your plans with anyone who may be affected by your financial decisions. Before you make a purchase, you should read this and all other related documents and clarify any questions that you may have.

We reserve the right to change certain terms and conditions at any time. If such changes affect your Plan, you and your Financial Adviser will be notified in writing and all changes will be fully explained.

Its aims

- To help meet the cost of long term care, either residential or at home
- To guarantee payments to your registered care provider for the rest of your life
- To provide financial solutions depending on whether you require:
 - indefinite or shorter term capital protection in the event of your death
 - income that can escalate or a cheaper single premium by deferring your income
- To give you the option to protect some or all of your capital investments in the event of your death through the capital protection plans

Your commitment

- To pay a single premium at the start of the plan
- To seek appropriate financial advice
- To provide accurate information when you apply for the plan
- To notify us of any changes in your address
- For your estate/beneficiaries to notify Partnership promptly when you die

Risk factors

- Care payments are not guaranteed to cover the cost of care, which will depend on many factors including your ongoing health and inflation in the cost of care provision
- If your care costs exceed the income provided under your plan you will be responsible for funding the difference
- **WARNING** this annuity has no cash value at any time and cannot be cancelled and is therefore only suitable for people requiring indefinite care
- There is no return of capital from your annuity regardless of when you die, unless you select Capital Protection or Capital Protection Plus, so you may not receive income payments proportionate to your investment, particularly if you die within the deferred period of the Deferred Care Plan

- If you select one of the Capital Protection options, it will not have a cash value & cannot be surrendered. Please note that the Capital Protection Plan sum insured reduces over time to zero, after which no payment will be made in the event of your death.
- Income payments made to a registered care provider are not subject to taxation under current legislation, but you should be aware that the rules governing tax are subject to review and can change
- If you leave care at any time your care annuity would convert to a standard annuity (comprising an income and a capital element) and you would be liable for Tax on the income element
- Income payable from these plans may affect your entitlement to some State benefits. You may need to refer to a specialist source of advice such as HMRC, local authority of Citizens Advice Bureau for assistance
- Once set up you cannot change the terms of your annuity or the Capital Protection Options even if annuity rates improve

If you are in any doubt about the suitability of this product, you should seek financial advice.

Eligibility

Our standard eligibility criteria for a care plan are detailed below, however proposals from individuals falling outside of these limits will be considered on a case by case basis, depending on circumstances.

Minimum age (attained)	60 years
Maximum age (attained)	Unlimited
Plan term	Unlimited
Minimum purchase price	£5,000
Maximum purchase price	£300,000

Your questions answered

How do the Partnership care plans work?

Partnership offers the Immediate Care Plan and the Deferred Care Plan, both of which are an 'annuity'. Annuities are most commonly used to buy a retirement income with the proceeds of a pension fund. Partnership's care plans work in a similar way, that is, in return for a single payment to your plan, we will make regular income payments (every four weeks or calendar month in advance) to your chosen registered care provider for the rest of your life. The benefits are guaranteed and do not depend on investment performance.

The key difference between a pension annuity and a care annuity is that, because the income is paid directly to your care provider, it is tax-free.

The plan can only cover one person but it can be purchased on their behalf by a third party.

What care plans are available from Partnership?

Immediate Care Plan

For a single payment, a regular, tax-free income will be paid to your registered care provider, starting immediately and continuing for the rest of your life.

There is no return of capital regardless of when you die, so if you die early into the Plan you may not receive benefits proportionate to your investment. Equally, if you live for a long time we will never ask you for any more money.

The Immediate Care Plan could be suitable if:

- You need funding for care to start immediately
- You need care on an indefinite basis
- You have access to a single source of money
- Your care may have already started or is likely to commence shortly, possibly after a period of ill health or hospitalisation
- You have a sum of money available to purchase a care plan in order to provide you with regular payments for the rest of your life

There are two additional options that you may wish to consider if you choose the Immediate Care Plan:

Capital Protection

Capital Protection allows you to protect up to 75% of your initial investment for a given period of time and will pay out if you die within this period.

Capital Protection is provided by issuing a separate decreasing term assurance policy in addition to the Immediate Care Plan. The sum assured decreases over time as income payments are made. The Capital Protection sum assured reduces at the same rate as the total payments made to you increase, reaching zero when the total payments made equal the sum initially insured. After this point your estate/beneficiaries will not receive any benefits on your death and the Capital Protection policy will terminate.

Capital Protection Plus

Capital Protection Plus provides a capital return to your estate/ beneficiaries regardless of when you die. This sum is guaranteed and does not decrease over time.

Capital Protection Plus is provided by issuing a separate whole of life policy in addition to the Immediate care plan. This means that the amount assured is guaranteed to be paid on your death.

Please note for both Capital Protection and Capital Protection Plus:

The sum paid to your estate/beneficiaries is an insurance payment - there is no return of capital from your Immediate Care Plan regardless of when you die.

Both policies can be written and placed in trust if required. However, this does not guarantee that the proceeds will be exempt from Inheritance Tax - you should discuss the tax implications with your Financial Adviser.

Deferred Care Plan

A single payment is made into your Deferred Care Plan but the benefit payments are deferred for a period of your choosing.

Deferment can last from one to five years depending on your circumstances.

The longer the deferment period the less your plan will cost for a given monthly benefit.

During the deferment period you will be responsible for meeting the cost of your care provision.

The Deferred Care Plan could be suitable if:

- You have funding in the short term, for example a pension or help from family, but need a guaranteed income as security against care costs for the rest of your life
- You want to reduce the cost of your premium but receive maximum income
- You will need care in the future on an indefinite basis

There is no return of capital regardless of when you die, even if this occurs within the deferment period.

Escalating benefits to mitigate care inflation

In order to help ease the effects of rises in the cost of care provision you can, at the outset of the policy, choose to increase - or 'escalate' - the benefits you receive over time. Benefits can be escalated by a rate of between 1% and 8% per annum in 1% increments. If selected, escalation will start on the first anniversary of the policy or a date that you select, even if the annuity payments have not commenced. Escalating your benefits will make your Care Plan more expensive. This option is available for both the Immediate and Deferred Care Plans.

How much will my plan cost?

The cost of your care plan will depend on a number of things, such as the amount of income you require, the type of care cover you choose, as well as your age, gender and state of health at the time you apply. Partnership can provide you with a written quotation, which will show the costs in greater detail.

All charges are factored into your plan at the outset and we will not make any additional charges.

What are the tax implications?

Because your plan payments are made directly to your registered care provider they are currently paid tax free. This assumes that the plan remains approved by HM Revenue & Customs as an annuity for immediate needs care and all payments are made directly to your registered care provider.

For Capital Protection and Capital Protection Plus, the tax implications when you die will vary depending on whether you leave the sum assured to your estate or pass it directly to your beneficiaries by way of a trust. You should discuss these details with your Financial Adviser.

The rules governing taxation are subject to review and change in the future.

Taxation is a complex issue and depends largely on your own personal circumstances. Therefore, we recommend that you should consult your Financial Adviser who can give you more details about your tax position.

What constitutes a registered care provider?

To qualify for tax free payments your care provider must be registered with one of the following authorities:

- Commission for Social Care Inspection (CSCI) in the UK
- Care Standards Inspectorate for Wales CSIW in Wales
- Scottish Commission for Regulation of Care (the Care Commission in Scotland)

What happens when I die?

There is no return of capital from your long term care plan regardless of when you die. If you have Capital Protection and the insurance element is still in force, or Capital Protection Plus, your estate must contact us either by phone or in writing to make a claim.

Contact us by telephone: 08701 971 446

Or write to us at: Partnership
Sutherland House
Russell Way
Crawley
West Sussex
RH10 0UH

We will require a copy of the original death certificate and Grant of Probate before the money can be returned to the estate. If the policy has been written in trust we will require a copy of the death certificate and the trust form detailing who the beneficiaries are. Even if there is no capital to return we need to be notified of a death (and provided with a copy of the death certificate) to ensure payments to the care provider are stopped.

What if I go into hospital?

If your registered care provider needs you to continue paying fees in order to reserve your place, we will continue making payments whilst you are in hospital. Otherwise we will stop making payments during this time.

If you would like to receive the income payments yourself, it is possible to pay them directly to you but this would mean losing the tax-free status. The care annuity would convert to a standard annuity (comprising an income and a capital element) and you would be liable for Tax on the income element. If you decide to do this, you will be able to convert it back to a care annuity to pay a registered care provider at a later date.

Please contact us if you require further information on this.

What happens if I no longer need care?

If, for whatever reason, you leave care at any time in the future, you must tell us because we would need to cease making payments directly to your registered care provider.

If you no longer need care from a registered care provider, as above, we can pay the income directly to you but it would lose its tax-free status but can be converted back to a tax-free care annuity, should you require care in the future.

What do I do if my personal circumstances change?

If there is a change in your personal circumstances, for example a change of address, or bank account, please contact your Financial Adviser or Partnership.

If you move to a different care home you must inform us because we make the payments directly to your registered care provider.

How do I apply?

You should contact your Financial Adviser in the first instance, who will help you choose the most suitable plan for you and help fill out the paperwork.

Partnership can provide you with a guaranteed offer for your Care Plan subject to receiving full details about your health. It is important to answer the questions on the application as fully and accurately as possible, as this will assist us in assessing your case.

You will not be asked to undergo any medical examination. However, you, or someone acting on your behalf will be required to complete a comprehensive medical questionnaire. We may subsequently contact your doctor for a general practitioner's report (GPR) to verify the information provided on your application. We will not always apply for a GPR however, so it is essential that you answer the questions on the application as fully and accurately as possible, so that we can give you the best possible annuity. If at any time there is found to be any misrepresentation of your health conditions, Partnership reserves the right to amend the terms of the annuity.

Partnership will confirm your status periodically to ensure that benefits are being correctly paid to your registered care provider. You may be asked to provide proof of identity, title and/or existence.

How do I know if I have been accepted?

Unless otherwise stated, your personalised quotation assumes that we accept your application at the rates quoted. Partnership will not be liable for making income payments until you have fully completed all necessary application requirements, we have issued acceptance terms, and have received the premium.

What happens if I want to cancel my plan?

You can change your mind within 30 days of either being advised that the policy is finalised or receiving the policy document, whichever is later. If we do not receive your cancellation notice within this 30 day period we will automatically continue your policy.

If you do decide to cancel within this 30 day period, we will refund your money in full, less any payments already made.

A cancellation notice will be enclosed with your policy documents providing full details about the cancellation procedure. Alternatively, you can contact Partnership's head office, details of which are on the back page.

How much will the advice cost?

Partnership doesn't provide advice so you should consult your own Financial Adviser. Your Financial Adviser is entitled to receive commission from Partnership, which is taken from our charges. The amount will depend on the type of Plan you choose and the amount of your investment. Your adviser will give you details of the amount of commission they will receive as a result of any Plan you purchase.

Other important information

Law

The law and courts of England and Wales will apply in legal disputes and your contract will be written in English. We'll always write and speak to you in English.

Money Laundering Regulations

To comply with Money Laundering Regulations you must provide proof of identity. Your Financial Adviser and Partnership may therefore ask you to supply documents as proof of your identity and address. Examples can be a passport, birth or marriage certificate, a recent utility bill, Council Tax bill etc.

Data Protection

If you are providing us with information on behalf of another person, by doing so you confirm that they have given you permission to provide us with the information and that you have told them who we are and what we will use their data for.

With limited exceptions, you have the right to access and, if necessary rectify, information held about you. We may make a small charge for this. We will take all reasonable steps to confirm your identity before providing you with details of any personal information we may hold about you.

Compensation

Your Financial Adviser has a duty to recommend only products that are suitable for your needs and financial situation. You have a legal right to compensation if it is proved that at any time their recommendations were unsuitable when they were given and under the circumstances which they were made.

You may be entitled to compensation if we cannot meet our obligations due to insolvency. The Financial Services Compensation Scheme may arrange to transfer your policy to another insurer, provide a new policy or, if this is not possible, provide compensation. Compensation depends on your policy and the circumstances of the claim. For example, most insurance contracts are covered for 100% of the first £2,000 and 90% of the remainder of the claim.

Further information about compensation arrangements is available from The Financial Services Compensation Scheme, who can be contacted at:

The Financial Services Compensation Scheme

7th Floor Lloyds Chambers
Portoken Street
London E1 8BN

Telephone: 020 7892 7300

Web: www.fscs.org.uk

Email: enquiries@fscs.org.uk

Queries and complaints

If you would like further information, or have any queries or complaints, you should first contact your Financial Adviser. If you require further assistance or want to make a complaint about any aspect of our service please contact The Chief Executive at Partnership, Sackville House, 143-149 Fenchurch Street, London EC3M 6BN.

If you are not satisfied with the way a complaint is handled, you can contact:

Financial Ombudsman Service

South Quay Plaza
183 Marsh Wall
London
E14 9SR

Telephone: 0845 080 1800

Email: enquiries@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

Making a complaint does not affect your right to take legal action.

Full written details are available on request.

Further information

If you have any questions at any time, we would recommend that you discuss them with your Financial Adviser as Partnership does not give advice directly to clients. Your Financial Adviser's details can be found on your personalised illustration. If, however, you need to discuss a specific issue we will be pleased to try to help you, or direct you to someone who can. We may record and monitor calls to help us improve our service.

For more information about Partnership speak to your Financial Adviser or visit our website:

www.partnership.co.uk

You can contact us by phone, fax, email or in writing using the details on the back page of this brochure.

THESE KEY FEATURES SHOULD BE READ IN CONJUNCTION WITH YOUR ILLUSTRATION.

All details are correct at the time of going to press (September 2007).

Partnership
Sackville House, 143-149 Fenchurch Street
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General Enquiries 0845 108 7240

Email info@partnership.co.uk

www.partnership.co.uk

**All of our literature is available in
Braille, large type and audio tape.**

Partnership is a trading style of The Partnership Group of Companies, which includes: Partnership Life Assurance Company Limited (registered in England and Wales No. 05465261) and Partnership Home Loans Limited (registered in England and Wales No. 05108846).

Both companies are authorised and regulated by the Financial Services Authority. The registered office for both companies is Sackville House, 143-149 Fenchurch Street, London EC3M 6BN.

Partnership Life Assurance Company Limited is a limited company to which the insurance business of The Pensions Annuity Friendly Society Limited (PAFS) has been transferred by statute.